

# HB5555



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5555

by Rep. Joseph M. Lyons

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1A-110

Amends the Illinois Pension Code. Removes the requirement that the actuarial present value of credited projected benefits for vested participants currently receiving benefits, other vested participants, and non-vested participants be included in actuarial statements for certain pension funds. Effective immediately.

LRB095 19136 AMC 45349 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 1A-110 as follows:

6 (40 ILCS 5/1A-110)

7 Sec. 1A-110. Actuarial statements by pension funds  
8 established under Articles other than 3 or 4.

9 (a) Each pension fund established under an Article of this  
10 Code other than Article 3 or 4 shall include as part of its  
11 annual statement a complete actuarial statement applicable to  
12 the plan year.

13 The actuarial statement shall be filed with the Division  
14 within 9 months after the close of the fiscal year of the  
15 pension fund. Any pension fund that fails to file within that  
16 time is subject to the penalty provisions of Section 1A-113.

17 The board of trustees of each pension fund subject to this  
18 Section, on behalf of all its participants, shall engage an  
19 enrolled actuary who shall be responsible for the preparation  
20 of the materials comprising the actuarial statement. The  
21 enrolled actuary shall utilize such assumptions and methods as  
22 are necessary for the contents of the matters reported in the  
23 actuarial statement to be reasonably related to the experience

1 of the plan and to reasonable expectations, and to represent in  
2 the aggregate the actuary's best estimate of anticipated  
3 experience under the plan.

4 The actuarial statement shall include a description of the  
5 actuarial assumptions and methods used to determine the  
6 actuarial values in the statement and shall disclose the impact  
7 of significant changes in the actuarial assumptions and  
8 methods, plan provisions, and other pertinent factors on the  
9 actuarial position of the plan.

10 The actuarial statement shall include a statement by the  
11 enrolled actuary that to the best of his or her knowledge the  
12 actuarial statement is complete and accurate and has been  
13 prepared in accordance with generally accepted actuarial  
14 principles and practice.

15 For the purposes of this Section, "enrolled actuary" means  
16 an actuary who (1) is a member of the Society of Actuaries or  
17 the American Academy of Actuaries and (2) either is enrolled  
18 under Subtitle C of Title III of the Employee Retirement Income  
19 Security Act of 1974 or was engaged in providing actuarial  
20 services to a public retirement plan in Illinois on July 1,  
21 1983.

22 (b) The actuarial statement referred to in subsection (a)  
23 shall include all of the following:

24 (1) The dates of the plan year and the date of the  
25 actuarial valuation applicable to the plan year for which  
26 the actuarial statement is filed.

1           (2) The amount of (i) the contributions made by the  
2 participants, and (ii) all other contributions, including  
3 those made by the employer or employers.

4           (3) The total estimated amount of the covered  
5 compensation with respect to active participants for the  
6 plan year for which the statement is filed.

7           (4) The number of (i) active participants, (ii)  
8 terminated participants currently eligible for deferred  
9 vested pension benefits or the return of contributions made  
10 by those participants, and (iii) all other participants and  
11 beneficiaries included in the actuarial valuation.

12           (5) The following values as of the date of the  
13 actuarial valuation applicable to the plan year for which  
14 the statement is filed:

15                 (i) The current value of assets accumulated in the  
16 plan.

17                 (ii) The unfunded accrued liability. The major  
18 factors that have resulted in the change in the  
19 unfunded accrued liability from the previous year  
20 shall be identified. Effects that are individually  
21 significant shall be separately identified. As a  
22 minimum, the effect of the following shall be shown:  
23 plan amendments; changes in actuarial assumptions;  
24 experience less (or more) favorable than that assumed;  
25 and contributions less (or more) than the normal cost  
26 plus interest on the unfunded accrued liability.

1 (iii) The amount of accumulated contributions for  
2 active participants (including interest, if any).

3 (iv) (Blank). ~~The actuarial present value of~~  
4 ~~credited projected benefits for vested participants~~  
5 ~~currently receiving benefits, other vested~~  
6 ~~participants, and non vested participants.~~

7 (6) The actuarial value of assets.

8 (7) Any other information that is necessary to fully  
9 and fairly disclose the actuarial position of the plan and  
10 any other information the enrolled actuary may present.

11 (8) Any other information regarding the plan that the  
12 Division may by rule request.

13 (Source: P.A. 90-507, eff. 8-22-97.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.